

AMENDED IN SENATE JULY 16, 2015

AMENDED IN ASSEMBLY MAY 11, 2015

AMENDED IN ASSEMBLY APRIL 6, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 738**

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**Introduced by Assembly Member Beth Gaines**

February 25, 2015

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An act to amend Sections 102025, 102053, and 102054 of, to add Section 102056 to, and to repeal and add Sections 102052.5 and 102055 of, the Public Utilities Code, relating to public transit.

### LEGISLATIVE COUNSEL'S DIGEST

AB 738, as amended, Beth Gaines. Sacramento Regional Transit District.

Existing law provides for the creation of the Sacramento Regional Transit District, with specified powers and duties relative to the provision of public transit services. Existing law describes the authorized boundaries of the district, as specified, and provides that the boundaries of the district, at any point in time, shall consist of the area of any city or county within the authorized boundaries where the governing board of the city or county has declared a need for the district to operate. Existing law authorizes the district to operate in any city or county where the need for the district to operate has been declared, except that the district has no power to levy an ad valorem property tax unless a city or county adopts a specified resolution. Existing law provides for a city or county to annex to the district through a written request to the district and approval by the Sacramento Area Council of Governments.

This bill would revise and recast these provisions. The bill would provide that the boundaries of the district, at any point in time, shall consist of specified areas, including a city or county that has acted to annex to the district, and a city incorporated on or after January 1, 2016, if the newly incorporated city consists of territory that was included in the district prior to incorporation. The bill would require an annexation to be subject to an agreement between the annexing city or county and the district board specifying the terms and conditions of annexation, and would delete the requirement for approval of annexation by the Sacramento Area Council of Governments. The bill would provide procedures for detachment of territory within the district by a specified supermajority vote of the district board and a majority vote of the governing body of the territory proposed to be detached.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 102025 of the Public Utilities Code is  
2 amended to read:  
3 102025. “Member entity” means a city or county that is within  
4 the boundaries of the district as defined in Section 102052.5.  
5 SEC. 2. Section 102052.5 of the Public Utilities Code is  
6 repealed.  
7 SEC. 3. Section 102052.5 is added to the Public Utilities Code,  
8 to read:  
9 102052.5. (a) The boundaries of the district shall include (1)  
10 the City of Sacramento and the City of Rancho Cordova; (2) the  
11 unincorporated territory of the County of Sacramento that is within  
12 the urban service area, as determined by the Board of ~~Supervisors~~;  
13 *Supervisors, and not otherwise divided from the rest of the*  
14 *unincorporated territory that is within the urban service area by*  
15 *an incorporated city not previously described in this subdivision;*  
16 (3) a city or county listed in Section 102051 that has annexed to  
17 the district pursuant to the process specified in Section 102055;  
18 and (4) a city incorporated on or after January 1, 2016, which city  
19 consists entirely of territory that was included in the district prior  
20 to the city’s incorporation.  
21 (b) (1) The boundaries of the district shall not be affected by  
22 the incorporation of any territory wholly or partly within the

1 boundaries of the district or by reason of annexation to or  
2 detachment from any city or territory wholly or partly within the  
3 boundaries of the district, except as provided in this section.

4 (2) Where territory outside the district is annexed to any city  
5 included in the district, that territory shall, upon the completion  
6 of the annexation proceeding, be deemed incorporated into and  
7 annexed to the district.

8 (3) Where territory is incorporated as a new city, on or after  
9 January 1, 2016, and is partly within and partly outside the district,  
10 the entire territory shall, upon completion of the incorporation  
11 proceeding, be deemed incorporated into and annexed to the  
12 district.

13 (4) *Where territory that is within the boundaries of the district*  
14 *is annexed to any city that is not a member entity, that territory*  
15 *shall remain part of the district unless, at the time of annexation,*  
16 *(A) no transit service is operated by the district within the annexed*  
17 *territory or within one-half mile of any outside boundary of the*  
18 *annexed territory and (B) no transit service is planned by the*  
19 *district, as evidenced by the district's adopted short-range transit*  
20 *plan, for the annexed territory or within one-half mile of any*  
21 *outside boundary of the annexed territory within five years of the*  
22 *annexation, in which case that territory may be detached from the*  
23 *district if the Sacramento County Local Agency Formation*  
24 *Commission determines, during the annexation proceedings, that*  
25 *the area would be better served by the annexing city than the*  
26 *district. The detachment may be accomplished without proceeding*  
27 *with the detachment process in Section 102056.*

28 (c) Whenever territory is deemed incorporated into and annexed  
29 to the district pursuant to this section, that territory shall be subject  
30 to taxation, in accordance with the assessable valuation of the  
31 property in that territory for general district purposes and for  
32 payment of any indebtedness previously or thereafter incurred by  
33 the district.

34 SEC. 4. Section 102053 of the Public Utilities Code is amended  
35 to read:

36 102053. The district may operate and exercise the powers under  
37 this part within any city, provided that the district shall have no  
38 power to levy an ad valorem property tax within the boundaries  
39 of any city that is not within the boundaries of the district as  
40 defined in Section 102052.5.

1 SEC. 5. Section 102054 of the Public Utilities Code is amended  
2 to read:

3 102054. The district may operate and exercise the powers under  
4 this part within all or a part of the unincorporated area of any  
5 county, provided that the district shall have no power to levy an  
6 ad valorem property tax within the unincorporated area that is not  
7 within the boundaries of the district as defined in Section 102052.5.

8 SEC. 6. Section 102055 of the Public Utilities Code is repealed.

9 SEC. 7. Section 102055 is added to the Public Utilities Code,  
10 to read:

11 102055. (a) Any city or county listed in Section 102051 may  
12 be annexed to the district in the manner provided in this section.

13 (b) The legislative body of the city or county proposed to be  
14 annexed shall agree in writing with the board of directors upon  
15 the terms and conditions of annexation, which agreement, among  
16 other things, may provide for the levy and collection of special  
17 taxes within the city or unincorporated area of the county in  
18 addition to the taxes otherwise provided for in this part; the fixing  
19 of rates, rentals, and charges differing from those fixed or existing  
20 elsewhere within the district; the incurring or assumption of  
21 indebtedness; the making of a payment or payments; or the transfer  
22 of property, real and personal, and other assets to the district by  
23 the city or county.

24 SEC. 8. Section 102056 is added to the Public Utilities Code,  
25 to read:

26 102056. (a) Territory within the district may be detached from  
27 the district by a supermajority vote of the board of directors, which  
28 shall be at least 80 percent of the nonweighted vote of the existing  
29 board, and by a majority vote of the governing body of the territory  
30 proposed to be detached, provided that the detached territory shall  
31 not be relieved from liability for taxation for the payment of any  
32 bonded indebtedness existing at the time of detachment, and  
33 provided that all other pending legal and financial obligations have  
34 been resolved by mutual agreement.

35 (b) The detachment of territory from the district shall become  
36 effective upon giving of the notice required in Section 57204 of  
37 the Government Code.

38 (c) Notice of the detachment of territory from the district shall  
39 be given to each assessor whose roll is used for a tax levy made  
40 pursuant to this part and to the State Board of Equalization pursuant

- 1 to Chapter 8 (commencing with Section 54900) of Part 1 of
- 2 Division 2 of Title 5 of the Government Code.

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